



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3116

Introduced 2/23/2011, by Rep. Charles E. Jefferson

SYNOPSIS AS INTRODUCED:

New Act

Creates the Public Pension Abuse Abatement Act. Authorizes and directs the Governor to execute a compact on behalf of the State with any other state to end abuse of public pension programs. Provides that the compacting states shall agree that no governmental employer under the jurisdiction of any state shall pay wages or salary to any public pension fund annuitant unless that annuitant elects to suspend his or her pension for the duration of his or her employment. Sets out provisions of the compact concerning definitions, the effective date, and construction and severability. Effective immediately.

LRB097 09156 PJG 49291 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Public
5 Pension Abuse Abatement Act.

6 Section 5. Public Pension Abuse Abatement Compact. The
7 Governor is hereby authorized and directed to execute a compact
8 on behalf of this State with any other state or states legally
9 joining therein in the form substantially as follows:

10 PUBLIC PENSION ABUSE ABATEMENT COMPACT

11 The compacting states solemnly agree:

12 ARTICLE I:

13 FINDINGS AND PURPOSE

14 (a) It is common practice and a form of pension abuse for
15 an individual to receive a public retirement annuity and then
16 return to work and receive wages or salary from a governmental
17 employer while continuing to receive their retirement annuity.
18 This practice allows for an individual to receive multiple
19 streams of revenue from governmental employers.

20 (b) The purpose of a retirement annuity is to provide
21 retirement income and security to an individual at the end of
22 his or her lifespan. It is not the purpose of a retirement
23 annuity to supplement an individual's salary.

1 (c) The goal of this compact is to end the practice of an
2 individual receiving a retirement annuity based upon public
3 service and then returning to work and receiving wages or
4 salary from a public employer.

5 (d) Each compacting state agrees to enact the following
6 hiring policy:

7 No governmental employer under the jurisdiction of any
8 state that agrees to this compact shall pay wages or salary
9 to any public pension fund annuitant unless that public
10 pension fund annuitant elects to suspend his or her pension
11 for the duration of his or her employment.

12 ARTICLE II:

13 DEFINITIONS

14 As used in this compact, unless the context clearly
15 requires a different construction:

16 "Public retirement annuity" means a retirement annuity
17 paid to an individual that is based on service with a
18 governmental employer.

19 "Governmental employer" means an employer financed through
20 public funds, the employees of which are eligible to
21 participate in a public pension plan.

22 "Public pension fund annuitant" means an individual
23 receiving a public retirement annuity.

24 ARTICLE III:

25 EFFECTIVE DATE

26 This compact shall enter into force and become effective

1 and binding when it has been enacted by the legislature of any
2 state of the Union and thereafter shall enter into force and
3 become effective and binding as to any other state when enacted
4 by its legislature.

5 ARTICLE IV:

6 CONSTRUCTION AND SEVERABILITY

7 The provisions of this compact shall be liberally construed
8 and shall be severable. If any phrase, clause, sentence, or
9 provision of this compact is declared to be contrary to the
10 constitution of any participating state or of the United
11 States, or the applicability of this compact to any government,
12 agency, person, or circumstance is held invalid, the validity
13 of the remainder of this compact and its applicability to any
14 government, agency, person, or circumstance shall not be
15 affected thereby. If this compact shall be held contrary to the
16 constitution of any state participating therein, the compact
17 shall remain in full force and effect as to the remaining
18 states and in full force and effect as to the state affected as
19 to all severable matters.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.